

Board of Selectmen  
Special Meeting  
November 19, 2013

A special meeting of the Rockport Board of Selectmen was held on Tuesday, November 19, 2013 in the Peggy Brenner Friend's Room at the Library at 7pm; five selectpersons, the Town Administrator and the Asst. to the Town Administrator were present. Selectperson Murphy left the meeting during the Long Beach discussions.

7:03 pm            Meeting Called to Order

7:07 pm            Tax Classification Hearing: Selectperson Wilkinson moved to open the tax classification hearing, seconded by Selectperson Murphy, Vote: 5-0. Chairperson Battistelli read the public hearing notice. Dianne Lashua said the Selectboard is to decide if the town has a split or single tax rate. A split tax rate shifts more to industrial/commercial, a single tax rate has always encouraged business; less than 6% of the tax levy is commercial/industrial. It is the recommendation that a single tax rate exist of \$11.27/1,000 to encourage business in Rockport. Chairperson Battistelli and Selectperson Lucas abstained from the vote.

Selectperson Murphy moved to close the hearing at 7:14pm; Selectperson Wilkinson seconded, Vote: 3-0, Chairperson Battistelli and Selectperson Lucas abstaining.

Selectperson Sheedy moved that the Board of Selectmen adopt a uniform tax rate for FY '14, seconded by Selectperson Murphy, Vote: 3-0, Chairperson Battistelli and Selectperson Lucas abstained from the vote.

7:05 pm            33 Atlantic Avenue, Unsafe Structure: Selectperson Lucas moved that the Board of Selectmen vote to direct the Inspector of Buildings to immediately enter upon the premises at 33 Atlantic Avenue, Map 22, Lot 140, with the necessary workers and assistance and cause the structure to be made safe without delay pursuant to MGL, Chapter 143, Section 6 and 7, seconded by Selectperson Sheedy, Vote: 5-0.

The Asst. to the Town Administrator, M. Vieira, said this property has been abandoned for some time. The building inspector has reached out to the owner and has sent a letter as Section 6 requires and there has been no response. The required notice has been posted on the property. There is a concern about teenagers breaking into the property. The building inspector is requesting that he be directed immediately to proceed forward to secure the property.

7:10 pm            Blue Gate Lane Easement: Selectperson Wilkinson moved that the Board of Selectmen approve and sign an easement improvement with Diane L. and John F. Wonson of 122 to 124 Main Street, Rockport, for access across the town transfer station property, part of which is known as Blue Gate Lane, seconded by Selectperson Murphy, Selectperson Sheedy recused herself, as she represents one of the interested parties, Vote: 4-0.

The Town Administrator said this is on the agenda because the applicants went to the Planning Board and they're going back to the Planning Board Thursday evening, this is the

only meeting scheduled before that. She stated that there is a town meeting vote that approved this easement access of Blue Gate Lane which isn't really a road. It's a roadway that was made on the Transfer Station property.

T. Arsenian, 95 Granite Street, said at Town Meeting he inquired if the town had standards on what easements would or wouldn't be granted. Now he said he understands that the easement is being granted for \$1.00. He said the town is parting with something valuable here; this is a gain to whoever owns the property. He said he believes the town is losing here.

7:15 pm

Long Beach Leases: Chairperson Battistelli welcomed everyone and provided a brief history of the process to determine the Long Beach leases. Selectpersons Murphy, Sheedy, Lucas, and Wilkinson spoke. They spoke about the addition of 2 months to the lease (pending DPW approval from both Gloucester and Rockport), the two designated parking spaces per cottage, and the increase to 3.25% of the FY '14 assessed value of the land over the course of the next 10 years. It was stated that the first month's rent will be due on 3/1/14; in subsequent years the rent will be due on January 1 of each year. L. Sanders spoke and said the board didn't expect anyone to be happy here, Long Beach residents or anyone else. The discussion of property and liability insurance was discussed; this will be pending for further investigation.

The Town Administrator said the goal was to not devastate the Long Beach cottage owners and to not burden the other tax payers by not charging market rates on Long Beach. This was a tough decision. She said the Board debated on many items; and they took this very seriously.

The detailing of an estimate of what each cottage owner's rent would be for each of the following ten years was distributed to those that were in attendance.

Sandy Jacques, 93 Granite Street, questioned how the board came up with the 3.25%; he said this is questionable and inquired if the amount will be the same for the next 10 years or will it change.

The Town Administrator said it was the average between the lower and the higher risk and the current mortgage rates. She continued that the assessed amounts will change over the years, the rent amounts are set.

Andrea Berry, 103 Long Beach, questioned how the Board of Selectmen came up with the values.

The Town Administrator said the amounts came from the Assessors.

Dianne Lashua, Assessor's Office, said each year the assessed values change based on sales for the prior 12 months in a calendar year.

Ward Talbot, 34 Old County Road, questioned what affect the sale of a front row cottage has on the land value of a property in the fifth row.

Dianne Lashua said each row is valued differently and each single family house that sells in town affects all single family homes. Each sale is evaluated and analyzed. The front row

and back rows have a factor based on how close the property is to the ocean; this is the same everywhere in town.

Bernie Flynn, 59 Long Beach, said some of the cottage owners won't be here in ten years. In 10 years some could be paying \$13,000/year for rent. He questioned if there will be an opportunity for the cottage owners to buy the land. He questioned if the assessed value will be increased due to the additional two months.

Chairperson Battistelli said the extension of the two additional months still designates the use on Long Beach as seasonal.

Dianne Lashua said the state watches this closely.

Mary Jane Brown, 62 Long Beach, spoke about the number of sales in calendar 2012. She stated that there are a limited number of transfers in any calendar year.

Steve Lindo, Gap Head Road, questioned the town's obligation to the Long Beach tenants if there is a breach of the seawall.

The Town Administrator said the town requires that cottage owners have liability/disaster insurance. The town isn't required to replace cottages.

Chairperson Battistelli said that is why sections of the lease state that the town can require cottage owners to evacuate in a short amount of time. This has never been used in the past but is necessary to have in the lease.

Eric Johnson, 120 Long Beach, said he knows it was the goal to get to 3.25% return on the assessed value. He said that there is a discrepancy here. If he had \$505,000 and bought a US Treasury Bill, they would pay 3.25%, and he would obtain \$16,500, but that would be for 12 months, the cottages are not available for twelve months. He is asking that the 3.25% be for just the months that the cottages are occupied.

Selectperson Wilkinson said the 3.25% was arrived at based on the fact that the cottages are not available for 12 months.

Selectperson Sheedy said many factors were reviewed to arrive at the 3.25%.

L. McNelly, 38 Old County, said he understands that the new occupancy is from 3/15 to 11/15 now. He questioned if a cottage owner want to be there for those additional months, if the pipes freeze the town isn't responsible. He asked if the town is requiring that the cottage owners have homeowner's and liability insurance. He questioned any charges for "additional insured" coverage.

Selectperson Wilkinson said the intent here was not to add any costs for cottage owners.

The Town Administrator said if the pipes freeze, the town isn't responsible. She said currently the DPW will still be turning the water off in October, this is still being worked out. She continued that the issue of insurance needs to be worked out.

Paula Kenney, 58 Long Beach, spoke about joined cottages, she said if the season is extended and your neighbor doesn't wish to stay the additional months and the pipes freeze, that doesn't make any sense. She inquired if Long Beach is going to be put on police patrols and receive additional services.

Chairperson Battistelli said in the survey it was learned that many cottage owners would like an extended season but not year around.

Mr. Hochberger, 112 Long Beach, questioned if there were discussions around ownership under some affordable arrangements.

Selectperson Lucas said the town needs to address the environmental issue first. This can be worked on during the term of this lease.

Selectperson Sheedy said a town ballot and application for special legislation would be required in order for the cottage owners to receive first right of refusal if the town chose to sell the land.

Chairperson Battistelli said in August, we learned that people didn't want to buy the property. She questioned if cottage owners weren't interested in purchasing because they assumed they couldn't afford it.

Lee McNelly stated that he recommends looking into having the lots surveyed, then offering a purchase.

Ann Fox, 77 Long Beach, said it was stated that the sea wall is mentioned in the lease.

Selectperson Sheedy said under Article 11 in the lease, Casualty and Eminent Domain, it states that the tenant acknowledges that the town is not responsible for any injury loss or claim due to any damage to the property due to fire, flooding, leakage, etc.

Ann Fox, 77 Long Beach, said she understands that Gloucester received \$5.5M in state aid to repair the seawall on Stacy Blvd.

Chairperson Battistelli said that there has been a change in state law, the dam bill, language was added that the funds could go to the repair of a seawall. She said that Gloucester was in a position (shovel ready) to move on their sea wall, it was a timing issue. The town of Rockport has a number of seawalls that require attention.

Selectperson Wilkinson said by not putting anything in the lease about the seawall, we're conveying that this seawall is no different than any other seawall in town.

Andrea Berry, 103 Long Beach, said in lieu of raising the rates so much, did you consider collecting the revenue from the current rentals because some cottage owners rent their cottages and generate revenue in the process. She also questioned if taking a portion of a cottage sale considered.

Selectperson Lucas said we can't police the renting situation and how could it be tracked. She said the board also didn't want the folks that might need to sell their cottage fairly quickly due to the rent increase to bear the burden – it didn't seem fair.

Chairperson Battistelli said the transfer fee would have been a good idea 20 years ago. The people that would be penalized now would be the group that can least afford it.

Ward Talbot said he has his insurance with a national company that carries all of his insurance; he gets a discount because he groups everything with that company. It's clear that the insurance issue is not solved at this point.

The Town Administrator said we need to gather more information and take it to the Board of Selectmen. She recommended that any resident can write a letter to the Board or stop in at Town Hall.

S. Jacques questioned how the town can benefit from the sale of its own land and the issue of a transfer fee.

Bill McMillan, 130 Long Beach, questioned if there is any timeframe on the concept of selling the lots.

The Town Administrator said if the Board of Selectmen so chooses this can be put on the warrant for the April Town Meeting.

Selectperson Lucas said she thought the board would wait for the sediment study to be completed before any decision on selling the property; August of 2014 is the estimated completion date of the sediment study.

S. Sheehan, 12 Long Beach, said there isn't much good news on the lease here tonight except they've identified a price that they believe is the right lease amount for the land, but they've given us time here in spreading it out. We expressed affordability is an issue. If the board is sincere, he said we need something concrete saying you are going to look at this. He said he's looking for a commitment on the seawall and sediment study.

Paula Kenney questioned if the board would consider revisiting the 3.25%. She said the Long Beach community will be completely different years from now. She said she has two leases that she will not be able to afford in 3 or 5 years.

Chairperson Battistelli said this was carefully reviewed and no, there would be no reconsideration.

Selectperson Lucas said in years 5 through 10, the assessments will be higher and the rents will remain what they are stated in the lease. She said the cost of everything is going to be higher; and we're trying to be fair.

Selectperson Wilkinson said we also have many townspeople to consider as well.

T. Arsenian, 95 Granite Street, said it has been mentioned that grant funds are being sought, he inquired if other projects are being prioritized.

The Town Administrator said this isn't the time for this. She said all revenue sources are being looked at, but that can be discussed at another time.

Ms. Martinez, 78 Long Beach, questioned the water pipe issue.

Chairperson Battistelli said this can be looked at on a cottage by cottage basis.

It was questioned if the right of first refusal for this current lease would be considered.

The Town Administrator said due to Chapter 30(b), it would need to go out to bid or get special legislation for first right of refusal.

Selectperson Sheedy said there would have to be state legislation and a town vote.

S. Sheehan, said that the Long Beach residents expressed to the town that affordability was a key issue. If this lease plays out the way it is structured, there are going to be a lot of people that have to sell and many that will need to become landlords in order to afford their cottage. He inquired if the board is serious about pursuing another alternative for both the town and the owners. If you're serious about the sediment study will you give us a commitment that you'll do the study and repair the seawall. He said we want to save the community at Long Beach.

Janice Reed, 43 Long Beach, questioned if taxes all year long were calculated into the lease amount. She said she feels she's paying twice on the land.

Selectperson Sheedy said this is a triple net lease currently, it includes real estate taxes, the lease amount, and then maintenance and utilities; that is the nature of the lease.

Steve Sheehan said he was hoping for a reaction from the Board of Selectmen to his question tonight; and asked if the board can take it under advisement. The current lease, as it's written, will mean that the residents of Long Beach today will not be there in the future.

Chairperson Battistelli said she hopes that with what has been said tonight it is clear that selling the land isn't off the table; it can be looked at in the future.

9:15 pm      Selectperson Wilkinson moved to adjourn, seconded by Selectperson Sheedy, Vote: 4-0, Selectperson Murphy left the meeting during the Long Beach Lease discussions.

Warrant signed:

Warrant signed for the Fiscal Year 2014 Payroll and Expenses for the week of 11/22/13 in the amounts of \$100,075.00 and \$550,658.96 respectively.

Items signed:

Building Inspector, 33 Atlantic Avenue

Easement Agreement John and Dianne Wonson, 122-124 Main Street

Tax classification